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**NOTE**

from:	Working Party on Eastern Europe and Central Asia
dated:	23 May 2007
to:	Political and Security Committee
Subject :	The EU and Central Asia: Strategy for a New Partnership

1. At its meeting on 22 May 2007, the Working Party on Eastern Europe and Central Asia has finalized the Strategy for a New Partnership with Central Asia as set out in Annex.
2. The Political and Security Committee is invited to agree on the text and transmit it to Coreper and the Council (General Affairs and External Relations) for endorsement.

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**ANNEX**

**The EU and Central Asia: Strategy for a New Partnership**

**Introduction: The EU and Central Asia**

Central Asia has a centuries-old tradition of bringing Europe and Asia together. It lies at a strategically important intersection between the two continents. The Central Asian States of Kazakhstan, the Kyrgyz Republic, Tajikistan, Turkmenistan and Uzbekistan have known considerable evolution in political and economic transformation since attaining independence. They have established statehood, safeguarded multi-ethnic understanding and inter-religious communication. By joining the OSCE, they subscribed to the Organization's values, standards and commitments. By signing the United Nations Millennium Declaration they set themselves ambitious goals.

At the beginning of the 21st century, the time has come for a new partnership between the EU and Central Asian States in a globalised world.

The common goal of achieving stability and prosperity by means of peaceful inter-action makes Europe and Central Asia partners for increased cooperation. The strong EU commitment towards its Eastern neighbours within the framework of the

European Neighbourhood Policy will also bring Europe and Central Asia closer to each other, both in terms of political cooperation and economic development.

The development and consolidation of stable, just and open societies, adhering to international norms, is essential to bring the partnership between the European Union and Central Asian States to full fruition. Good governance, the rule of law, human rights, democratisation, education and training are key areas where the EU is willing to share experience and expertise. The EU can offer experience in regional integration leading to political stability and prosperity. Lessons learnt from the political and economic transformation of Central and Eastern Europe can also be offered. With their rich traditions and centuries-old exchanges, the EU and Central Asia can contribute actively to the dialogue between civilisations.

Many challenges facing the globalised world affect Europe and Central Asia alike, and warrant a common response. Security questions and regional economic development require close cooperation of the EU with each Central Asian state, taking into account their geographical location, in particular with respect to Afghanistan, Pakistan and Iran. This applies i.a. to developments in the areas of border management, migration, the fight against organized crime and international terrorism, as well as human, drugs, and arms trafficking.

The dependency of the EU on external energy sources and the need for a diversified energy supply policy in order to increase energy security open further perspectives for cooperation between the EU and Central Asia. EU efforts to strengthen local energy markets will help to improve investment conditions, increase energy production and efficiency in Central Asia and diversify energy supply and distribution in the region.

Through this Strategy and the Commission's assistance programme for the period of 2007-2013, the EU defines the priorities for its cooperation with each Central Asian state according to its specific needs, requirements and performance, including human rights, good governance, democracy and social development. Within the new external assistance instruments based on the EU-budget 2007-2013 the EU has planned to double the financial means for assisting Central Asian States.

Building upon and complementing the Commission's assistance programme, Member States of the EU are prepared to study specific bilateral partnership and twinning programmes with individual Central Asian States as well as programmes with a regional dimension based on an adequate and coordinated needs-assessment. Member States will support the Community's programmes to contribute to a more coherent and visible EU policy in the region.

In order to address issues of particular importance, the EU will within the framework of this Strategy:

- Establish a regular regional political dialogue at Foreign Minister level;
- Start an "European Education Initiative" and support Central Asian countries in the development of an "e-silk-highway";
- Start an "EU Rule of Law Initiative";
- Establish a regular, result-oriented "Human Rights Dialogue" with each of the Central Asian States;

Conduct a regular energy dialogue with Central Asian States.

In implementing the goals and objectives laid down in this Strategy, the EU will be guided by the principles of equal dialogue, transparency and result orientation. It will seek close cooperation with all neighbouring countries of Central Asia.

## **II. EU strategic interests: Security and stability**

The EU has a strong interest in a peaceful, democratic and economically prosperous Central Asia. These aims are interrelated. The aim of the EU Strategy is therefore to actively cooperate with the Central Asian States in reaching these goals as well as to contribute to safeguarding peace and prosperity in neighbouring countries.

The Strategy builds on the progress which the Central Asian States have themselves made since attaining independence. It takes account of their common aspects as well as specific national contexts and requirements.

It also builds on the results obtained under the implementation of the various Partnership and Cooperation Agreements, EU assistance programmes and other initiatives taken by the EU to support the states of Central Asia.

The Strategy is based upon common interests of the EU and the states of Central Asia. To align expectations of Central Asian partners with those of the EU will be a mutually beneficial and reinforcing process.

The EU has an interest in security and stability as well as in adherence to human rights and the rule of law in Central Asian States because:

Strategic, political and economic developments as well as increasing trans-regional challenges in Central Asia impact directly or indirectly on EU interests;

With EU enlargement, the inclusion of the Southern Caucasus into the European Neighbourhood Policy and the Black Sea Synergy Initiative, Central Asia and the EU are moving closer together;

Significant energy resources in Central Asia and the region's aim to diversify trade partners and supply routes can help meet EU energy security and supply needs.

The EU strongly believes that strengthening the commitment of Central Asian States to international law, the rule of law, human rights and democratic values, as well as to a market economy will promote security and stability in Central Asia, thus making the countries of the region reliable partners for the EU with shared common interests and goals.

## **III. Instruments**

In order to intensify cooperation with Central Asian States, the EU will make full use of the potential of Partnership and Cooperation Agreements, Commission and Member States programmes, cooperation frameworks such as the Baku Initiative and political dialogue, using the variety of CFSP instruments. Cooperation with the UN, in particular the ECE, the OSCE, the Venice Commission of the Council of Europe, NATO, international financial institutions and with other regional organisations and fora will be enhanced. The EUSR, EU Member State embassies and the European Commission delegations should seek to strengthen cooperation with the OSCE. In addition, the EU seeks to put into place, together with Central Asian States, new forms of cooperation, such as a regular bilateral human rights dialogue.

The EUSR and the Commission as well as Member States play an important role in implementing this Strategy. The EUSR shall, on behalf of the High Representative and in accordance with his mandate, together with the Commission and the Presidency, and without prejudice to Community competence, monitor the implementation process, make recommendations and report to relevant Council bodies on a regular basis.

Twinning and seconding staff between EU and Central Asian administrations or companies is an essential part of EU cooperation with Central Asia in order to introduce EU-wide best practices in connection with Community legislation. This policy will be intensified based on the experience gained.

Public-private partnership initiatives as well as bilateral instruments and Member State programmes can play an important role in increasing the EU's commitment in Central Asia.

Interaction with international financial institutions will be strengthened, including the World Bank and the European Bank for Reconstruction and Development (EBRD). The European Investment Bank (EIB) should play an important role in financing projects of interest to the EU in Central Asia.

#### **IV. Bilateral and regional cooperation**

The EU Strategy aims at a balanced bilateral and regional approach. The EU will balance policy approaches in Central Asia according to the differing needs of every country and to the performance of each country. The EU will foster regional cooperation among Central Asian States and between Central Asian States and other regions.

Bilateral cooperation will be of special importance. It will be strengthened to respond adequately to individual proposals brought forward by each of the five Central Asian States. It is essential to cooperate bilaterally on issues such as human rights, economic diversification, energy and other sectoral issues, including youth and education. The intensity of the cooperation will reflect the commitment to transition and reform of each country.

A regional approach is suitable for tackling common regional challenges such as organised crime, human, drugs and arms

trafficking, terrorism and non-proliferation issues, inter-cultural dialogue, energy, environmental pollution, water management, migration as well as border management and transport infrastructure. In this regard the EU will cooperate with international financial institutions, multilateral and regional organisations and institutions.

The EU is prepared to enter into an open and constructive dialogue with regional organisations in Central Asia and to establish regular ad hoc contacts i.a. with EURASEC, the Shanghai Cooperation Organization (SCO), CICA, CSTO, CAREC and CARICC.

## **V. A strengthened EU approach**

### **Human rights, rule of law, good governance and democratization**

The development of a stable political framework and of functioning economic structures are dependent on respect for the rule of law, human rights, good governance and the development of transparent, democratic political structures.

The EU and its Member States intend to step up support for the protection of human rights and for the creation and development of an independent judiciary, thus making a sustainable contribution to the establishment of structures based on the rule of law and international human rights standards. Cooperation on justice between the Central Asian States and the EU Member States will also be appropriate. The EU will cooperate closely with the OSCE, the Council of Europe, the UN and the UN High Commissioner for Human Rights in this field.

The EU is engaged in human rights dialogues with a number of countries. Those dialogues are an instrument of the Union's external policy. Human rights dialogues constitute an essential part of the EU's overall strategy aimed at promoting respect for human rights and fundamental freedoms, sustainable development, peace and stability.

Against this background and on the basis of the relevant EU guidelines, the EU will raise human rights issues with each Central Asian state through an appropriate channel for discussion, inter alia by entering into a structured, regular and results-oriented human rights dialogue. The form and the modalities of such dialogue will be defined individually and at a future stage.

The objectives of a human rights dialogue with each of the countries of Central Asia should include:

- Discussing questions of mutual interest and enhancing cooperation on human rights, inter alia in multilateral fora such as the United Nations and the OSCE;
- Raising the concerns felt by the EU as regards the human rights situation in the countries concerned, information gathering and initiatives to improve the relevant human rights situation.

In addition, human rights dialogues contribute to supporting practical steps aimed at meeting human rights objectives at national level, in particular through financial and technical cooperation and specific projects to be funded under the European Instrument for Democracy and Human Rights.

The EU will respond to suggestions put forward by the Central Asian States and will further intensify cooperation on matters pertaining to the rule of law, good governance and combating corruption. To this end, the EU will develop a Rule of Law Initiative which addresses the specific priorities identified by each country. EU Member States and the Commission will coordinate their projects closely. Within the framework of this Rule of Law Initiative, the EU will support the Central Asian States in core legal reforms, including reform of the judiciary, and in drawing up effective legislation, for example in the fields of administrative and commercial law.

In promoting the consolidation of peace and international justice, the EU and its Member States are determined to share, with the Central Asian States their experience in the adoption of the necessary legal adjustments required to accede to the Rome Statute of the International Criminal Court, and in combating international crime in accordance with international law.

The EU and Member States will aim to:

- Allocate adequate funds to this Rule of Law Initiative;
  - Second judicial and administrative experts to Central Asian States on both short-term and long-term assignments;
  - Provide training opportunities to experts from Central Asian States;
  - Support the transparent implementation of legal reform;
  - Offer the possibility of international exchanges by organizing and sponsoring specialized conferences;
  - Facilitate cooperation by Central Asian States with the Venice Commission of the Council of Europe;
  - Encourage implementation of ILO norms and conventions for decent work;
  - Coordinate closely with existing activities of OSCE field missions, the Office for Democratic Institutions and Human Rights (ODIHR), bilateral programmes as well as the UN and the UN High Commissioner for Human Rights;
- and provide technical assistance and establish close cooperation aimed at making the legislative and constitutional amendments required for accession to and implementation of the Rome Statute.

The task of sustaining a culture of human rights and making democracy work for its citizens calls for the active involvement of civil society. A developed and active civil society and independent media are vital for the development of a pluralistic society. The EU will cooperate with the Central Asian States to this end and promote enhanced exchanges in civil society.

The EU will also pursue its objectives of ensuring the promotion and protection of human rights throughout the world, as well as in Central Asia states, through international bodies such as the General Assembly or the Human Rights Council as appropriate. The EU is willing to cooperate with Central Asian States in these international fora to achieve this common aim.

#### **Investing in the future: youth and education**

Central Asia's future will be shaped by its young people. The majority of Central Asia's population is under the age of 25, providing enormous potential for development. Good education is essential in order to open up this potential for the younger generation.

The EU and Member States will therefore set up a European Education Initiative for Central Asia in order to contribute to the adaptation of the education systems of Central Asian States to the needs of the globalised world. It is willing to cooperate with major international partners and donors supporting educational programmes and institutions.

Under the European Education Initiative, the EU and Member States will in particular offer support in the fields of

- Primary school education;

- Secondary school education;

- Vocational education and training;

- Higher education cooperation, academic and student exchanges, for instance under the new Erasmus Mundus facility and TEMPUS and bilaterally.

The EU will support the development of regional education centres and cooperate closely with the OSCE Academy in Bishkek. The EU stands ready to open European Studies Institutes in the region. The EU is prepared to grant scholarships for students from Central Asian countries to European universities.

The EU will also support the continuation of the activities performed by the European Training Foundation in the field of vocational education and training in Central Asia.

Furthermore, the EU stands ready to support Central Asian States in linking with the EU e-network through the development of an 'e-silk-highway' and to promote long distance learning. It is our aim to link Central Asia to global Internet-based communication networks and to enable Central Asian students, teachers, academics, and scientists to participate in modern forms of life-long learning.

### **Promotion of economic development, trade and investment**

The EU supports the removal of trade barriers between the Central Asian States and it will continue to support WTO accession for the four Central Asian States which are not yet WTO members on commercially viable terms and in full compliance with WTO requirements. WTO accession is key for wider economic reforms and diversification and better integration of the countries into the international trade and economic system. The EU will promote the creation of regulatory and institutional frameworks for an improved business and investment environment and further support economic diversification. The EU will continue to cooperate with Central Asian States in order to improve access for Central Asian products to EU markets. In this regard the renewed EU Generalised System of Preferences (GSP – 2006/2015) offers the best ever preferential framework

aimed at encouraging exports and economic diversification in these countries. Equally, it will be an incentive for diversifying their economies on the basis of the market access advantages offered by the EU.

Under INOGATE (Baku Initiative) and TRACECA (funded through DCI and ENPI), the EU will promote the development and expansion of the regional infrastructure in the fields of transport, energy and trade in order to make better use of Central Asia's economic potential, not least through improved regional cooperation. As an important trade corridor between East and South Asia and Europe, Central Asia can benefit from increasing trade.

The EU will continue to support the development of market economy structures in Central Asia. In this connection, the EU will cooperate with interested companies from the EU in a public-private partnership to promote the market economy. It will offer training and assistance programmes for Central Asian partners. The EU will support the aspirations and actions of the Central Asian States towards market economy structures.

The EU will:

- Support deeper integration of Central Asia into the world trade and economic system, in particular through the WTO accession process and eventual membership;
- Support economic diversification with a view to promoting sustainable development by improving local skills and potential (science and technology, innovation, tourism), promotion of SMEs, development of basic infrastructure (road, rail, telecom, IT);
- Support substantial reforms of the financial systems which are needed in most countries, especially in the banking and micro credit sector; improved banking regulation, supervision and enforcement; privatisation of state banks; increased competition among banks and easier entrance for foreign banks are key steps which Central Asian States need to take;
- Study further possible options to enhance the Central Asian States' ability to make better use of the available GSP and encourage regional trade;
- Develop the necessary systems, including with regard to regulatory approximation to the EC acquis, to allow a practical better access to the EU market for Central Asian products;
- Continue to support the efforts of the Central Asian States to fully implement the trade and economic provisions of the Partnership and Co-operation Agreements;
- Extend trade-related technical assistance and policy advice to facilitate the creation of legislative and institutional frameworks conducive to better business environments and to attracting foreign direct investment;
- Help the countries of the region to work out strategies to improve their individual credit ratings in order to qualify for future lending programmes;
- Support these countries in enforcing best customs practices as set by the World Customs Organisation;
- Support initiatives for know-how transfer and capacity building.

#### **Strengthening energy and transport links**



The EU and Central Asia share a paramount interest in enhancing Energy Security as an important aspect of global security. There is a common interest in diversifying export routes, demand and supply structures and energy sources.

Besides oil, gas and electricity, water management is a decisive aspect of energy cooperation with Central Asia. Hydro-power production and distribution are crucial to promoting stability and prosperity in Central Asia and beyond, including Afghanistan and Pakistan. Its potential has not been sufficiently addressed.

The development of resources in oil and gas has significantly increased the role of Central Asian States as energy producers and transit countries. Increasing oil and gas exploitation will contribute to better world market supplies and will be conducive to diversification. Gas deliveries from the region are of special importance to the EU.

The key elements for a long-term partnership based on common interests and reciprocity can therefore be established in the years to come: the exploitation of the energy resources of Central Asian States calls for substantial and sustained investment as well as for comprehensive policies addressing all the components of their energy sectors and facilitating access to most developed markets. The EU, for its part, is ready to consider all options for the development and transportation of these resources, in cooperation with other interested partners.

A market-based approach to investment and procurement and transparent, stable and non-discriminatory regulatory frameworks guarantee, for all sources of energy, the best prices and increased opportunities for all stake-holders.

Against this background, the EU will conduct an enhanced regular energy dialogue with Central Asian States in the framework of the Baku Initiative. EU activities will also be based on the Energy Charter and bilateral MoUs on Energy issues.

The EU will support the exploration of new oil, gas and hydro-power resources and the upgrading of the existing energy infrastructure. To enhance EU security of energy supply, the EU will also support the development of additional pipeline routes and energy transportation networks. It will also contribute to regional energy security and cooperation, and widen export markets for Central Asian producers. The EU will lend political support and assistance to Central Asian countries in developing a new Caspian Sea - Black Sea – EU energy transport corridor.

The EU will promote the creation of an integrated Central Asian energy market and will support public-private partnerships which encourage EU investment.

Based on the objectives laid down in the Baku Initiative the EU will focus cooperation with Central Asian States in particular on the following matters:

- Converging of energy markets on the basis of the EU internal energy market principles taking into account the particularities of the partner countries;

- Enhancing energy security by addressing the issues of energy exports/imports, supply diversification, energy transit and

energy demand;

Transparency and capacity-building in statistics and in the governance of the energy sector;

Supporting and enhancing technological cooperation between the EU and the Central Asian States in the energy sector;

Supporting sustainable energy development, including the development of energy efficiency, renewable energy sources and demand side management;

Attracting investment towards energy projects of common and regional interest;

Supporting the rehabilitation of existing pipelines and the construction of new pipelines and electricity transportation networks inside the region and towards Europe;

Supporting the development of comprehensive action programmes aiming at the promotion of energy saving, energy efficiency and renewable energy, notably with a view to meeting commitments in the framework of the Kyoto protocol;

Supporting the 'Global Energy Efficiency and Renewable Energy Fund' initiative;

Encouraging the countries to take initiatives similar to those taken by the EU in the Action Plan for an Energy Policy for Europe (European Council of March 2007).

In addition, the EU will continue to promote the Extractive Industries Transparency Initiative within the Central Asian region as a means to contributing to sustainable development and poverty reduction.

### **Environmental sustainability and water**

Fair access to water resources will be a major challenge for the world in the 21st century. Most major environmental issues in Central Asia are related to the allocation, use and protection of the quality of water resources. With the region connected through cross-boundary rivers, lakes and seas, a regional approach to protecting these resources is essential. Linked to this is the need to improve forestry management. There is a need to have an integrated water management policy (upstream and downstream solidarity).

For the EU water cooperation is of particular interest, especially in view of achieving by 2015 the Millennium Development Goals on clean drinking water and good sanitation facilities.

Promoting cooperation on water management can at the same time foster regional security and stability and support economic development.

An EU-Central Asia dialogue on the environment was launched in Spring 2006 and will provide the basis for joint cooperation efforts.

Environmental issues related to the extraction and transport of energy resources as well as vulnerability to climate change and natural disasters are also matters of major concern. Questions pertaining to the protection of the environment should be taken

into account in regional dialogue at all levels.

The EU will therefore:

Support the implementation of the EECCA (Eastern Europe, Caucasus, Central Asia) component of the EU Water Initiative (EUWI-EECCA) for safe water supply and sanitation and integrated water resources management.

Promote transboundary river basin management as well as regional cooperation under the Caspian Sea Environmental Convention;

Give particular support to the integrated management of surface and underground trans-boundary water resources, including the introduction of techniques for a more efficient water use (irrigation and other techniques);

Enhance cooperation for appropriate frameworks for facilitating the financing of water related infrastructure projects, including through attracting IFI's and public-private partnership funds;

Support regional capacity building on integrated water management and production of hydropower;

Cooperate with Central Asian countries on climate change including support for the introduction and further implementation of the Kyoto Protocol mechanisms at regional level;

Cooperate with Central Asian countries in combating desertification and safeguarding bio-diversity including support for the implementation of the UN Conventions on Biological Biodiversity and to combat Desertification;

Improve sustainable management of forests and other natural resources in Central Asia, providing assistance for regional aspects of the indicative actions under the Forest Law Enforcement and Governance Ministerial process (FLEG);

Encourage increased environmental awareness and the development of environmental civil society including through cooperation with the Central Asia Regional Environment Centre (CAREC).

In the context of the above priorities, the EU will also give attention to related issues:

Support Central Asian States in developing policies for pollution prevention and control;

Upgrade natural disaster preparedness and assessment capability in Central Asia;

Intensify cooperation with EnvSec Initiative.

### **Combating common threats and challenges**

Modern border management creating open and secure borders could facilitate trade and exchange in the region and help combat regional criminal activity, especially the international drug trade.

Assistance in fighting organised crime will be one of the priorities of the EU in the region aiming at a reduction of non-conventional threats to security.

Migration is one of the major global challenges of the 21st century. The impact of migration, both positive and negative, can be felt in all countries, including in Central Asia. The EU seeks to enhance dialogue and cooperation on migration with regions of transit, origin and destination through the EU's Global Approach to Migration. As part of the Global Approach the EU

proposes to launch a close dialogue on migration with the eastern and south-eastern neighbouring regions.

The EU will step up its support for the development of modern border management in the region of Central Asia, including the borders with Afghanistan. Afghanistan's cooperation with its neighbours should be strengthened. Through BOMCA, the EU will seek a multilateral and regional approach.

The EU will broaden BOMCA activities and seek synergy with projects under implementation to reform customs services. The EU will seek better coordination and explore possibilities of close cooperation between BOMCA, the OSCE and other border projects from Member States and third countries.

The EU will:

- Continue to introduce the basic principles of integrated border management in border guard services and other relevant services;

- Work on specific border crossing points;

- Provide organisational assistance to support transformation of border guards from a conscript to a professional service; to support transition from a purely military system to a more police-style law enforcement agency and to support efforts to strengthen control mechanisms;

- Seek increased involvement of customs services to facilitate trade;

- Update the legal framework in accordance with international law in the field of combating organised crime (e.g.: UN Convention against Transnational Organized Crime and its Protocols), with a focus on illegal migration, trafficking in human beings, preventing and countering drugs and precursors trafficking; improve institutional capacity of law enforcement agencies, and strengthen regional cooperation in fighting trans-national organised crime.

At the same time, the EU will continue to offer its assistance to help the interested Central Asian States –both at national and at regional level- to manage migration in a more balanced manner, which implies setting up well functioning systems to match labour demand and supply, facilitating integration of legal migrants and providing international protection to asylum seekers and refugees and other vulnerable persons.

The EU will give greater support to the fight against corruption, the drug trade, human trafficking, illegal trade of weapons from and to Afghanistan and organised crime in Central Asia. It will step up cooperation with the Central Asian States to combat international terrorism. The EU will strengthen the fight against drugs with a specific EU presence in Dushanbe. It will support the rapid installation of the regional anti-drug centre (CARICC) in Almaty and intensify cooperation with UNODC also with a view to tracking chemical precursors of heroin production. Cooperation with China and the Shanghai Cooperation Organization on drug-trafficking will be strengthened.

The Ferghana Valley best embodies the challenges and possible perspectives of Central Asia. The EU is therefore prepared to lend assistance to Central Asian countries sharing borders in the Ferghana Valley in promoting projects which are designed to

bring stability, prosperity and sustainable development to that region. The EU will dedicate special attention to programmes which address questions of border management, intra-regional trade and free movement of goods and persons.

**Building bridges: inter-cultural dialogue**

The diversity of religions and centuries-old traditions of peace and tolerance constitute a valuable heritage in Central Asia. Moderate and tolerant Islamic thinking respecting the constitutional secular principle is a hall-mark of the Central Asian countries. The EU highly values the peaceful multi-ethnic and multi-cultural coexistence of various creeds in Central Asia.

Building on this, the EU will promote dialogue within civil society and respect for freedom of religion.

**VI. The EU and Central Asia in the future**

This EU Strategy for Central Asia serves as an overall framework for the EU policies in the region of Central Asia. The EU sees a mutual interest in sustained dialogue and cooperation with the five Central Asian States respecting their differences and fostering closer cooperation among them on regional issues.

The EU is willing to contribute substantially to security, stability and prosperity in Central Asia. To this end the EU is committed to opening Commission delegations in all five Central Asian countries. Member States will consider expanding the network of embassies in Central Asia.

The EU will ensure coherence between this Central Asia Strategy and other EU regional initiatives, including the Black Sea Synergy Initiative. It will support intraregional trade and cooperation. It will also support active integration/participation of Central Asia in the WTO in order to ensure better integration of these countries in the world trade and economic system.

With this Strategy, the EU invites Central Asia to establish an enhanced political dialogue, including regular meetings at Foreign Ministers' level with the EU troika. The EU will hold annual meetings of its Heads of Mission in the region.

Based on the principles of this Strategy, the EU will work with each of the Central Asian countries to develop individual approaches to implementation, according to the specific needs and performance of each country, building on existing and future agreements, including PCAs.

The progress made on implementing the Strategy will be reviewed by the Council in June 2008 and at least every two years thereafter.

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**EC 2007-2013 regional assistance strategy for Central Asia**

The EC's 2007-2013 Assistance Strategy for Central Asia is conceived as a tool to support strengthening of political dialogue with the Central Asian States at regional and national level and to pursue the objectives defined above. In order to reflect greater EU engagement in the region, the EC assistance budget to Central Asia will be significantly increased under the new financial perspectives 2007-2013 to a total of € 750 mio, with the average annual allocation to the region under the development cooperation instrument increasing from € 58 mio in 2007 to € 139 mio in 2013.

The bulk of EC assistance to Central Asia – 70% – will be directed at the bilateral assistance programmes, taking into account the policy agenda of the individual Central Asia countries and their distinct political and social realities.

With more than 50% of the rural population living below the poverty line, poverty reduction through social sector reforms and schemes, including education, to increase living standards especially in rural areas, will continue to be the key priority for EC bilateral assistance. Implementation of Poverty Reduction Strategy Papers or similar policy documents to which the Central Asian governments have committed themselves will serve as guiding framework for such programmes. The second focus of bilateral assistance will be promotion of good governance and democratic processes and the strengthening of public institutions coupled with implementation of core investment and trade policy reforms. The content of the programmes will be defined in agreement with the authorities and tailored to the specific needs of each country.

Given its importance for the sustainable development of Central Asia, 30% of assistance will be dedicated to facilitating closer inter-state cooperation both within Central Asia and between Central Asia, South Caucasus and the EU, particularly in the energy, transport, environmental and education sectors. In these domains, the alignment of regional cooperation priorities and programmes for Central Asia with the regional strategy for EU Eastern neighbours lies at the heart of future assistance policy.

Closely linking the focus of EU regional cooperation with Central Asia with that of the ENPI regional programmes will enable Central Asian countries to benefit effectively from the relevant inter-state energy, transport, environment and education initiatives and strengthened programmes set up under the ENPI East, facilitating their anchoring to Eastern Europe and access to global markets.

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Energy Co-operation between the EU, the Littoral States of the Black and Caspian Seas and their Neighbouring Countries, launched at the Energy Ministerial conference held in Baku in November 2004.

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